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**SHERIFF OF SAN JOAQUIN COUNTY AND FORMER COUNTY  
SUPERVISOR PLEAD GUILTY IN CORRUPTION CASE**

SACRAMENTO--United States Attorney McGregor W. Scott announced that T. BAXTER DUNN, 57, the elected Sheriff of San Joaquin County, and LYNN G. BEDFORD, 67, of Tracy, a former San Joaquin County Supervisor, each pleaded guilty to felony offenses in U.S. District Court in Sacramento today. DUNN pleaded guilty to one count of honest services mail fraud, and BEDFORD pleaded guilty to making false statements to federal agents. Both offenses carry a maximum sentence of five years in prison. DUNN's plea agreement requires that he resign as Sheriff within 30 days, or sooner if required under state law, and also requires him to cooperate with the Government in its prosecution of others in the case.

Defendant N. ALLEN SAWYER, 36, of Stockton, the former Executive Director of the Governor's Office of Criminal Justice Planning, pleaded guilty on Tuesday, January 11, 2005, to one count of honest services mail fraud, and is also cooperating with the Government. The last remaining defendants in the case are MONTE D. McFALL, 58, of Lathrop, and BEDFORD's former legislative assistant, J. TYLER REVES, 35, formerly of Stockton. Trial in the case is scheduled to commence January 26, 2005, before U.S. District Court Judge Morrison C. England, Jr., and is expected to last several weeks.

The case is being investigated by the Federal Bureau of Investigation, with the assistance of investigators from the San Joaquin County District Attorney's Office.

According to Assistant United States Attorneys Benjamin B. Wagner and Patrick K. Hanly, who are prosecuting the case, defendant DUNN in his plea of guilty admitted that during the period from February to August 2001, while he was Sheriff of San Joaquin County, he participated in a scheme to deprive the residents of the county of his duty of honest services, by misusing his official position for personal financial gain, in violation of both federal and state law. Specifically, he joined with co-defendants McFALL and SAWYER to form two business entities for the purpose of engaging in profitable ventures in San Joaquin County. The two entities, called MSD Ventures, Inc. (which stood for McFall-Sawyer-Dunn), and SMTM Partners (which stood for Show-Me-The-Money), engaged in lobbying officials with the City of Stockton, the Port of Stockton, and San Joaquin County on behalf of Sunlaw Energy

Corporation, which sought to build a power plant in the county. MSD Ventures signed a contract with Sunlaw under which DUNN stood to make a huge fee if it succeeded in commencing construction on a plant at the Port of Stockton. DUNN admitted that he personally spoke with a Port of Stockton member concerning his preference for Sunlaw, and misused the CLETS law enforcement data base to gather information on an individual that the defendants sought to contact in their lobbying efforts.

DUNN also admitted that in June 2001, after Sunlaw's principal rival for the Port of Stockton site, the Calpine Corporation, rejected an invitation by McFall to withdraw from the bidding at the Port of Stockton site, DUNN appeared at a meeting of the Board of Supervisors and publicly endorsed a resolution authored by co-defendants BEDFORD and REVES condemning Calpine's construction of a plant in neighboring Alameda County. DUNN purported to be acting on grounds of public safety, but did not disclose that he had a financial interest in the success of Calpine's rival, Sunlaw Energy Corporation.

According to Wagner and Hanly, defendant BEDFORD in his plea of guilty admitted that he lied to FBI agents who interviewed him about the matter in July, 2002. Specifically, he was asked whether he had known at the time of the anti-Calpine resolution in 2001 that his close associate, McFALL, had a business relationship with Sunlaw. BEDFORD denied any knowledge of McFALL's business relationship with Sunlaw, which statements BEDFORD now admits were false.

"The most sacred trust that our citizens can bestow is that of public office. This is doubly true when the position involves public safety. Sheriff Dunn, Allen Sawyer and Lynn Bedford have betrayed that trust and are now facing the consequences of their actions," said United States Attorney Scott.

"Public corruption investigations are a top priority within the FBI. Despite his earlier protestations, we are gratified Sheriff Dunn has now acknowledged his wrongdoing and will be held accountable," stated FBI Special Agent In Charge Keith Slotter.

The United States Attorney's Office noted that an indictment is only an accusation, and that McFALL and REVES are all presumed innocent until and unless proven guilty.

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